

Message Text

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70

ACTION NEA-10

INFO OCT-01 AF-06 ARA-10 EUR-12 EA-09 ISO-00 ERDA-07

AID-05 CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00 EB-07

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-04 USIA-15 SAM-01 OES-05 SP-02 SS-15 STR-04

TRSE-00 FEA-01 /141 W

----- 095785

R 131346Z SEP 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 3657

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMEMBASSY BONN

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMEMBASSY DAMASCUS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KHARTOUM

AMEMBASSY LAGN

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MOGADISCIO

AMEMBASSY MUSCAT

AMEMBASSY NOUAKCHOTT

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY RABAT

AMEMBASSY ROME

AMEMBASSY SANA

AMEMBASSY TEHRAN

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AMEMBASSY TOKYO

AMEMBASSY TRIPOLI
AMEMBASSY TUNIS

AMEMBASSY VIENNA
USMISSION OECD PARIS UNN
USMISSION EC BRUSSELS
USINT BAGHDAD

UNCLAS KUWAIT 3756

E.O. 11652: N/A
TAGS: ENRG, XF
SUBJECT: OAPEC QUIETLY EXPANDING

SUMMARY: WITP MINIMUM OF FANFARE OAPEC EXPANDING AND IT CAN BE EXPECTED TO PLAY INCREASINGLY IMPORTANT ROLE IN ARAB OIL AFFAIRS. HEADQUARTERS STAFF HAS BEEN INCREASED AND NOW INCLUDES SEVERAL RELATIVELY WELL-KNOWN NAMES. ORGANIZATION ADDING TO OVERALL CAPABILITIES IN PUBLIC RELATIONS, COORDINATION WITH OTHER ORGANIZATIONS AND GOVERNMENTS, ALTERNATIVE SOURCES OF ENERGY AND PETROLEUM RELATED PROJECTS. OAPEC CURRENTLY REVIEWING PROJECTS WHICH LIKELY TO INVOLVE SEVERAL BILLION DOLLARS WORTH ACTIVITY THAT WILL BE OF CONSIDERABLE INTEREST TO INDIVIDUAL OAPEC MEMBERS AND OTHERS AFFECTED BY THESE DECISIONS. END SUMMARY.

1. EMBASSY HAS NOTED THAT ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC) WHOSE HEADQUARTERS IN KUWAIT HAS BEEN QUIETLY EXPANDING UNDER GUIDANCE OF SECRETARY GENERAL ALI ATEEQA OF LIBYA. ATEEQA, WHO EDUCATED IN US AT UNIVERSITIES OF WISCONSIN AND CALIFORNIA (BERKELEY) TYPICAL OF MODERN, PRAGMATIC HIGHLY CAPABLE ARAB TECHNOCRAT. WITH MINIMUM OF FANFARE HE IS ADDING BOTH QUANTITATIVELY AND QUALITATIVELY TO HEADQUARTERS STAFF AND TO WORK OF OAPEC.

2. HEADQUARTERS STAFF HAS INCREASED FROM 30 IN 1972 TO 70 TODAY AND IT LIKELY TO NUMBER ABOUT 100 BY 1976. SEVERAL NEW PEOPLE HAVE BEEN ADDED TO SENIOR RANKS SINCE ATEEQA JOINED ORGANIZATION AS SYG LITTLE OVER YEAR AGO. SECOND RANKING OFFICER IS EGYPTIAN, DR. MAHMOUD SAYAD AMIN.
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FORMER SYRIAN AMBASSADOR TO UN DR. GEORGE TOMEH IS ADVISOR FOR INFORMATION AND INTERNATIONAL AFFAIRS INDICATING IMPORTANCE BEING ATTACHED TO THESE AREAS. OTHER SENIOR OFFICERS INCLUDE ABD AL-AZIZ AL-WATTARI, MAHMOUD ROUSHJI AND WALID KHADDURI. AT LEAST ONE AMCIT, USAMAH JAMALI, IS SENIOR OFFICER AT OAPEC HEADQUARTERS.

3. HEADQUARTERS STAFF CONCENTRATING ON PUBLIC

AFFAIRS AND INFORMATION, COORDINATION WITH OTHER INTERNATIONAL ORGANIZATIONS AND GOVERNMENTS, AND ECONOMIC AND TECHNICAL ANALYSES. LAST YEAR OAPEC PARTICIPATED IN SPONSORING SEMINAR IN UK, AND SEMINARS IN FRANCE AND JAPAN SCHEDULED RESPECTIVELY FOR THIS YEAR AND NEXT. IN THIS MANNER AS WELL AS IN MEETINGS BETWEEN OAPEC AND OTHER OFFICIALS, ORGANIZATION TAKING INITIATIVE IN DISCUSSING CURRENT ISSUES WITH CONSUMERS.

4. ON ECONOMIC SIDE OAPEC HAS SET-UP \$80 I LLION ARAB OIK FACILITY ADMINISTERED BY KUWAIT-BASED ARAB FUND AND HAS LOOKED INTO CREATION OF ARH UNIT OF ACCOUNT. ON TECHNICAL SIDE ORGANIZATION INVITIGATING ALTERNATIVE SOURCES OF ENERGY AND ALTERNATIVE USES OF PETROLEUM. PLANS EXIST FOR ESTABLISH-ING OAPEC ENERGY CENTER WHICH CAN SERVE AS INFORMATION CLEARING HOUSE FOR MEMBER STATES AND EVENTUALLY TO SUPPORT RESEARCH.

5. MOST IMMEDIATELY IMPORTANT OAPEC ACTIVITIES ARE THOSE RELATED TO CREATION NEW INTER-ARAB PROJECTS. THESE INCLUDE ARAB MARITIME PETROLEUM TRANSPORT COMPANY (AMPTC) BASED IN KUWAIT AND ARAB SHIP REPAIR YEAR (ASRY) IN BAHRAIN. APPEARS THAT SECOND ASRY DRY DOCK WILL BE BUILT IN MEDITERRANEAN. A JOINT ARAB PETROLEUM SERVICES COMPANY WILL BE HEADQUARTERED IN TRIPOLI, LIBYA. IT WILL BE HOLDING COMPANY WITH SUB-SIDIARIES ESTABLISHED IN OTHER MEMBER STATES. ARAB PETROLEUM INVESTMENT COMPANY (APIC) TO BE HEADQUARTERED IN RIYADH WAS FOUNDED LAST SEPTEMBER WITH CAPITAL OF \$1.1 BILLION. IT WILL SUPPORT PETROCHEMICAL AND OTHER PETROLZCM-RELATED INDUSTRIES. ANOTHER POTENTIALLY SIGNIFICANT PROJECT BEING DISCUSSED IS ARAB PETROLEUM EXPLORATION COMPANY. PROJECTS EVENTUALLY WILL INVOLVE SEVERAL BILLION DOLLARS WORTH OF ECONOMIC ACTIVITY.

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6. NEXT OAPEC MINISTERIAL MEETING WILL BE HELD IN RIYADH NOVEMBER 22. THERE HAS BEEN SOME DISCUSSION OF TUNISIA BECOMING A MEMBER. MEETING WILL CONSIDER VARIOUS PROJECTS NOTED ABOVE AND PROVIDE GUIDANCE TO BE FOLLOWED BY SECRETARIAT OVER NEXT YEAR.

7. COMMENT: OAPEC DOES NOT RPT NOT GET INTO BASIC OIL PRICING AND PRODUCTION QUESTIONS. BUT IT PLAYING INCREASINGLY IMPORTANT ROLE IN OTHER PETROLEUM-RELATED AREAS. IT TRUE THAT OAPEC RELATIONSHIP TO, SAY, SAUDI PETROCHEMICAL INDUSTRY,

KUWAITI SHIPPING INDUSTRY MAY BE MARGINAL OR AT LEAST NOT CENTRAL TO INDIVIDUAL COUNTRY'S PROGRAM. ON OTHER HAND ASRY IN BAHRAIN FOR EXAMPLE IS OF CONSIDERABLE IMPORTANCE TO BAHRAIN. IN ANY CASE, INDIVIDUAL OAPEC-SPONSORED PROJECTS SUCH AS AMPTC,

ASRY OR APIC ARE LARGE ENOUGH TO BE SIGNIFICANT IN THEIR OWN RIGHT. SIMILARLY, OAPEC WORK IN CONNECTION WITH PETROLEUM-RELATED ECONOMIC, TECHNICAL AND EVEN POLITICAL ACTIVITIES CAN BE EXPECTED TO BE OF INCREASING SIGNIFICANCE. EXPANDED OAPEC ROLE BEING ACCOMPLISHED WITH RELATIVELY MINIMAL FANFARE, THOUGH NOT WITHOUT PUBLICITY. EMBASSY BELIEVES US AGENCIES SHOULD KEEP OAPEC IN MIND AS ORGANIZATION WORTHY OF MORE ATTENTION THAN IN PAST AS DIALOGUE BETWEEN CONSUMERS AND PRODUCERS, GIVING THAT TERM WIDE DEFINITION, EVOLVES.
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